



**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
STATE AUDITOR**

March 28, 2019

Financial Audit Management Report

Drew L. Snyder
Executive Director
Mississippi Division of Medicaid
550 High Street, Suite 1000
Jackson, MS 39201

Dear Mr. Snyder:

Enclosed for your review are the financial audit findings for the Mississippi Division of Medicaid for the Fiscal Year 2018. In these findings, the Auditor's Office recommends the Mississippi Division of Medicaid:

- 1) Strengthen controls over MAGIC's segregation of duties, business role assignments, and quarterly access reviews; and
- 2) Strengthen controls over reconciliation of payroll deductions to ensure accuracy of employee withholdings.

Please review the recommendations and submit a plan to implement them by April 11, 2019. The enclosed findings contain more information about our recommendations.

During future engagements, we may review the findings in this management report to ensure procedures have been initiated to address these findings.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Division of Medicaid's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Mississippi Division of Medicaid's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Mississippi Division of Medicaid

March 28, 2019

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I hope you find our recommendations enable the Division of Medicaid to carry out its mission more efficiently. I appreciate the cooperation and courtesy extended by the officials and employees of the Mississippi Division of Medicaid throughout the audit. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie C. Palmertree". The signature is written in a cursive, flowing style.

Stephanie C. Palmertree, CPA, CGMA
Director, Financial Audit and Compliance Division
Enclosures

FINANCIAL AUDIT MANAGEMENT REPORT

The Office of the State Auditor has completed its audit of selected accounts included on the financial statements of the Mississippi Division of Medicaid for the fiscal year ended June 30, 2018. These financial statements are consolidated into the State of Mississippi's *Comprehensive Annual Financial Report*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The Office of the State Auditor's staff members participating in this engagement included Donna Parmegiani, CPA, Michael Torres, CPA, Ashley Jolly, CPA, Richard Aultman, CPA, Allen Case, CPA, Alisa Evans, Lisa Meade, CPA, and Heather Verret.

Our procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been met. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

Internal Control over Financial Reporting

In planning and performing our audit of selected accounts included on the financial statements, we considered the Mississippi Division of Medicaid's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on these accounts, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the Mississippi Division of Medicaid's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, identified in this letter as item 2018-012, which we consider to be a significant deficiency.

In addition, we noted a certain control deficiency involving internal control that require the attention of management, identified in this letter as item OTH 18-02.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether selected accounts included on the financial statements of the Mississippi Division of Medicaid are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

SIGNIFICANT DEFICIENCY

<u>Finding Number</u>	<u>Finding and Recommendation</u>
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2018-012	<u>Controls Should Be Strengthened Over Mississippi's Accountability System for Government Information and Collaboration (MAGIC) Segregation of Duties, Business Role Assignments, and Quarterly Security Certification Process.</u>
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Repeating Finding	No.
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Criteria	<p><i>The Internal Control – Integrated Framework</i>, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and the <i>U.S. Government Accountability Office Standards for Internal Control in the Federal Government</i> (Greenbook) specify that a satisfactory control environment is only effective when control activities, such as proper segregation of duties, exist and are effective. Proper segregation of duties is essential to minimizing the risk of fictitious transactions and misstated financial position.</p>
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Segregation of duties is the sharing of responsibilities of responsibilities within a key process and dispersing the critical functions of that process to more than one person or department. When proper segregation of duties is not practical, compensating controls, such as increased review and reconciliation, should be implemented to ensure proper internal control activities have been met. Good internal controls require effective segregation of duties within MAGIC to ensure critical business functions are performed by separate individuals to prevent incompatible duties which may allow users to perpetuate and conceal errors or fraud in the normal course of duty.

Additionally, *The Mississippi Agency Accounting Policies and Procedures (MAAPP) Manual* section 30.60.00 dictates that MAGIC security roles should be assigned to an employee based on his/her job duties, and that security roles should be reviewed on a quarterly basis to ensure that duties are segregated.

Condition The Mississippi Division of Medicaid submitted certification to DFA quarterly during state fiscal year 2018 stating that it was in compliance with policies regarding MAGIC security. Upon review of the security roles assigned and the exceptions noted below, the agency did not have proper segregation of duties, did not have business roles assigned in accordance with DFA's MAGIC roles and descriptions, and improperly certified their agency had proper segregation of duties.

During our review of MAGIC security roles, we noted the following exceptions:

- Eighteen instances in which Mississippi Division of Medicaid employees had access to roles specific to outside agencies; and
- Seventeen instances in which there were role violations related to improper segregation of duties.

Cause The Agency did not properly review and monitor their MAGIC security roles assigned to employees.

Effect Failure to properly segregate duties and limit user access among agency personnel greatly increases the risk of fraud, misappropriation of assets, inappropriate changes to data or files, and unauthorized activity which can result in material misstatements of financial statements.

Recommendation We recommend the Mississippi Division of Medicaid strengthen controls over MAGIC security and ensure that roles are properly assigned, duties are segregated, and roles are reviewed in accordance with the MAAPP manual. When proper segregation of duties is not practical, compensating controls, such as increased review and reconciliation, should be implemented to ensure proper internal control activities have been met.

OTHER CONTROL DEFICIENCY

<u>Finding Number</u>	<u>Finding and Recommendation</u>
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OTH18-02	<u>Controls Should be Strengthened Over Reconciliation of Payroll Deductions to Ensure Accuracy of Employee Withholdings.</u>
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Repeat Finding	No.
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Criteria	Good internal controls dictate that reconciliations should be performed for payroll data at each payment distribution to ensure payroll is calculated correctly. In addition, Mississippi Division of Medicaid Payroll Standard Operating Procedures state that payroll data must be reconciled "to ensure the accuracy of withholding data"
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Condition	During our testwork for salaries for the Mississippi Division of Medicaid, we noted that there was no supporting documentation for monthly reconciliation for payroll deductions for the month ended March 31, 2018.
Cause	Personnel did not follow agency policy and procedures.
Effect	Failure to reconcile payroll deductions may result in incorrect net payment to the employee or lead to failure to promptly detect errors or fraud.
Recommendation	We recommend the Mississippi Division of Medicaid strengthen controls over the reconciliation of payroll deductions to ensure the accuracy of employee withholdings.

End of Report



MISSISSIPPI DIVISION OF
MEDICAID

FINANCIAL AUDIT FINDINGS

April 9, 2019

Shad White, State Auditor
Office of the State Auditor
State of Mississippi
P. O. Box 956
Jackson, MS 39205-0956

Dear Mr. White:

In accordance with your correspondence dated March 29, 2019, the Mississippi Division of Medicaid (DOM) is providing the following responses for the financial audit finding for the fiscal year ending June 30, 2018.

AUDIT FINDING:

2018-012 Controls Should Be Strengthened over Mississippi's Accountability System for Government Information and Collaboration (MAGIC) Segregation of Duties, Business Role Assignments and Quarterly Security Certification Process.

RESPONSE:

The Mississippi Division of Medicaid (DOM) concurs with the finding. DOM will strengthen controls over MAGIC security to ensure that roles are properly assigned, duties are segregated and roles are reviewed in accordance with the MAAPP manual.

CORRECTIVE ACTION PLAN:

- A. DOM has reviewed MAGIC Quarterly Security Report to ensure terminated employee profiles were removed, updated user profiles to ensure no employee had processor and approval rights for the same functions and ensured users are only assigned roles that relate to their current job duties. This review will be performed each quarter when the MAGIC security report is received.

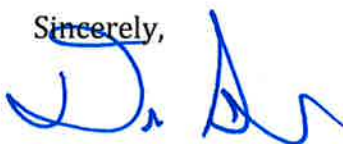
Office of the State Auditor
April 9, 2019

B. Gia Allen

C. Completed by February 28, 2019

If you have any questions, please contact Jennifer Wentworth at (601) 359-3147.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Snyder', with a stylized flourish at the end.

Drew L. Snyder
Executive Director



MISSISSIPPI DIVISION OF
MEDICAID

OTHER AUDIT FINDINGS

April 9, 2019

Shad White, State Auditor
Office of the State Auditor
State of Mississippi
P. O. Box 956
Jackson, MS 39205-0956

Dear Mr. White:

In accordance with your correspondence dated March 29, 2019, the Mississippi Division of Medicaid (DOM) is providing the following responses for the other audit finding for the fiscal year ending June 30, 2018.

AUDIT FINDING:

OTH18-02 Controls Should Be Strengthened Over Reconciliation of Payroll Deductions to Ensure Accuracy of Employee Withholdings.

RESPONSE:

The Mississippi Division of Medicaid (DOM) concurs with the finding. DOM does have a standard operating procedure that serves as a supplementary control to aid in correctly applying payroll deductions and remitting the correct related payments to insurance companies, Mississippi Deferred Compensation, lienholders, etc.

CORRECTIVE ACTION PLAN:

A. DOM currently has three employees responsible for producing the monthly, supplemental and contractual payrolls. Due to the shortage in payroll staff during FY2018, the reconciliation was not performed. DOM now has sufficient payroll staff and is performing the monthly reconciliations of payroll deductions.

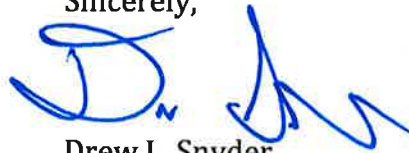
Office of the State Auditor
April 9, 2019

B. Gia Allen

C. Completed by December 2018

If you have any questions, please contact Jennifer Wentworth at (601) 359-3147.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Snyder', with a stylized flourish extending to the right.

Drew L. Snyder
Executive Director



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
STATE AUDITOR

May 23, 2019
Single Audit Management Report

Drew L. Snyder, Executive Director
Mississippi Division of Medicaid
550 High Street, Suite 1000
Jackson, MS 39201

Dear Mr. Snyder:

Enclosed for your review is the single audit findings for the Mississippi Division of Medicaid for Fiscal Year 2018. In these findings, the Auditor's Office recommends the Mississippi Division of Medicaid:

1. Strengthen controls to ensure compliance with provider health and safety standards requirements;
2. Strengthen controls to ensure compliance with Automated Data Processing (ADP) risk analysis and system security requirements; and
3. Strengthen controls over period of performance requirements.

Please review the recommendations and submit a plan to implement them by May 31, 2019. The enclosed findings contain more information about our recommendations.

During future engagements, we may review the findings in this management report to ensure procedures have been initiated to address these findings.

The purpose of this report is solely to describe the scope of our testing of compliance on each major federal program and of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

I hope you find our recommendations enable the Mississippi Division of Medicaid to carry out its mission more efficiently. I appreciate the cooperation and courtesy extended by the officials and employees of the Mississippi Division of Medicaid. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in blue ink, reading "Stephanie C. Palmertree", is located below the "Sincerely," text.

Stephanie C. Palmertree, CPA, CGMA
Director, Financial and Compliance Audit Division

Enclosures

SINGLE AUDIT FINDINGS

In conjunction with our audit of federal assistance received by the State of Mississippi, the Office of the State Auditor has completed its audit of the State's major federal programs administered by the Mississippi Division of Medicaid for the year ended June 30, 2018. The Office of the State Auditor's staff members participating in this engagement included Michael Torres, CPA, Ashley Jolly, CPA, Richard Aultman, CPA, Allen Case, CPA, Lisa Meade, CPA, and Elevia Tate.

Our procedures and tests cannot and do not provide absolute assurance that all federal legal requirements have been met. In accordance with Section 7-7-211, *Mississippi Code Annotated (1972)*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

Report on Compliance for Each Major Federal Program

We have audited the Division of Medicaid's compliance with the types of compliance requirements described in the *OMB Uniform Guidance Compliance Supplement* that could have a direct and material effect on the federal programs selected for audit that are administered by the Mississippi Division of Medicaid for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the State of Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) *Uniform Administrative Requirements, Cost Principles and Audit Requirements* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Mississippi Division of Medicaid's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. However, our audit does not provide a legal determination of the Mississippi Division of Medicaid's compliance.

Results of Compliance Audit Procedures

The results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Uniform Guidance and which are identified in this letter as items 2018-059 and 2018-060.

Internal Control over Compliance

Management of the Mississippi Division of Medicaid is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Mississippi Division of Medicaid's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal controls over compliance in accordance with OMB Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of Mississippi Division of Medicaid's internal control over compliance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the following paragraphs, we identified certain deficiencies in internal controls that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies identified in this letter as items 2018-059 and 2018-060 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency identified in this letter as item 2018-058 to be a significant deficiency.

Findings and Recommendations

SECIAL TEST & PROVISIONS – PROVIDER HEALTH AND SAFETY STANDARDS

Material Weakness

Material Noncompliance

2018-059	<u>Controls Should Be Strengthened to Ensure Compliance with Provider Health and Safety Standards Requirements.</u>
CFDA Number	93.796 – State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid
Federal Award No.	1605MS5001 2016 1705MS5001 2017 1805MS5001 2018
Federal Agency	U.S. Department of Health and Human Services
Pass-through Entity	N/A
Questioned Costs	N/A
Criteria	<i>Code of Federal Regulations</i> (42 CFR 488.308(a)) states, “The survey agency must conduct a standard survey of each Skilled Nursing Facility (SNF) and Nursing Facility (NF) not later than 15 months after the last day of the previous standard survey.”

Code of Federal Regulations (42 CFR 488.308(b)(1)) states, "The statewide average interval between standard surveys must be 12 months or less, computed in accordance with paragraph (d) of this section."

Code of Federal Regulations (42 CFR 488.308(d)) states, "The statewide average interval is computed at the end of each Federal fiscal year by comparing the last day of the most recent standard survey for each participating facility to the last day of each facility's previous standard survey."

Condition	During our testing of the provider health and safety standard requirements, we noted 42 out of a total of 205 Long-Term Care (LTC) facilities did not have the mandatory health and safety survey performed within the required 15 months of the survey period. Additionally, the statewide average survey interval exceeded 12 months.
Cause	The Centers for Medicare and Medicaid Services (CMS) implemented a new LTC survey process as well as loss of qualified nursing home surveyors.
Effect	If surveys are not conducted timely, health and safety violations may go undetected.
Recommendation	We recommend the Mississippi Division of Medicaid strengthen controls to ensure surveys are conducted in a timely manner, in accordance with federal requirements.
Repeat Finding	No.
Statistically Valid	The sample is considered statistically valid.

SECIAL TEST & PROVISIONS – ADP RISK ANALYSIS AND SYSTEM SECURITY REVIEW

Material Weakness

Material Noncompliance

2018-060 Controls Should Be Strengthened to Ensure Compliance with ADP Risk Analysis and System Security Review Requirements.

CFDA Number 93.778 – Medical Assistance Program (Medicaid; Title XIX)

Federal Award No.	1705MS0301	2017	1705MS5MAP	2017
	1705MS5021	2017	1805MS5MAP	2018
	1805MS5021	2018	1705MSIMPL	2017
	1605MS50001	2016	1805MSIMPL	2018
	1705MS50001	2017	1705MSINCT	2017
	1805MS50001	2018	1805MSINCT	2018
	1605MS5ADM	2016	1505MSBIPP	2015
	1705MS5ADM	2017	1805MS5ADM	2018

Federal Agency U.S. Department of Health and Human Services

Pass-through Entity N/A

Questioned Costs N/A

Criteria The *Code of Federal Regulations* (45 CFR 95.621) requires that state agencies shall, "Establish and Maintain a program for conducting periodic risk analyses to ensure that appropriate, cost effective safeguards are incorporated into new and existing systems. State agencies shall review the Automatic Data Processing (ADP) system security installations involved in the administration of Health and Human Services (HHS) programs on a biennial basis. At minimum, the reviews shall include an evaluation of the physical and data security, operating procedures, and personnel practices. The State agency shall maintain reports on its biennial ADP system security reviews, together with pertinent supporting documentation, for HHS on-site reviews."

The Mississippi Division of Medicaid (MDOM)'s Risk Analysis Policy states, "In the case of ADP systems involved in the administration of Health and Human Services (HHS) programs, MDOM will follow the MARS-E 2.0 Risk Assessment (RA-3) Control which requires the Administering Entities (AEs) to conduct, document, annually review, and disseminate a Risk Assessment of the security and privacy of the systems, and review the Service Organization Control (SOC) reports annually or whenever provided by fiscal agent."

Condition The Mississippi Division of Medicaid (MDOM) is not in compliance with 45 CFR 95.621 and its own Risk Analysis Policy; each requires a Risk Analysis Report be produced every 2 years. MDOM provided no evidence of a biennial risk analysis of all ADP Systems involved in the administration of HHS programs. The agency did submit a risk analysis for Mod MEDS, a subsystem of Medicaid Management Information System (MMIS) in compliance with MARS-E v.2 Security and Privacy Controls framework; however, a risk analysis was not performed on the MMIS.

Cause Management believes that the SOC reports they receive are sufficient to meet the ADP Risk Analysis requirement, as well as the MMIS is in the process of being replaced.

Effect Failure to properly establish and maintain a process for conducting periodic risk analyses could result in the compromise of the confidentiality, integrity and reliability of the data associated with HHS programs.

Recommendation We recommend Mississippi Division of Medicaid strengthen internal controls to ensure compliance with the ADP risk analysis and system security review requirements.

Repeat Finding Yes; 2017-034.

Statistically Valid No.

PERIOD OF PERFORMANCE

Significant Deficiency

2018-058 Controls Should Be Strengthened Over Period of Performance Requirements.

CFDA Number 93.778 – Medical Assistance Program (Medicaid; Title XIX)

Federal Award No. 1705MS5MAP 2017 1805MS5ADM 2018
 1805MS5MAP 2018 1705MSINCT 2017
 1705MS5ADM 2017 1805MSINCT 2018

Federal Agency U.S. Department of Health and Human Services

Pass-through Entity N/A

Questioned Costs N/A

Criteria *Code of Federal Regulations* (2 CFR §200.331(f)) states, “A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity.”

Condition Mississippi Division of Medicaid does not segregate Federal funding by quarter, as required in the grant award letters, so it is not possible to determine which quarter’s funding a Federal draw was taken from. Therefore, it could not be determined whether Federal awards were charged for costs incurred before or after the applicable period of performance.

Cause Mississippi Division of Medicaid does not segregate Federal funding by quarter.

Effect Federal awards could be charged for costs outside of the applicable period of performance.

Recommendation We recommend the Mississippi Division of Medicaid strengthen controls over period of performance requirements.

Repeat Finding No.

Statistically Valid No.

End of Report



MISSISSIPPI DIVISION OF
MEDICAID

SINGLE AUDIT FINDINGS

Shad White, State Auditor
Office of the State Auditor
State of Mississippi
P. O. Box 956
Jackson, MS 39205-0956

June 7, 2019

Dear Mr. White:

We have reviewed the single audit findings below in reference to our fiscal year 2018 audit. Listed below are our individual responses and plans for corrective action:

AUDIT FINDING:

CFDA Number – 93.796 – State Survey and Certification of Health Care Providers and Suppliers (Title XVIII Medicare)

Compliance Requirement: Special Test & Provisions

2018-059 Controls Should be Strengthened to Ensure Compliance with Provider Health and Safety Standards Requirements.

Response: The Mississippi Division of Medicaid (DOM) does concur with this finding. The Long-Term Care (LTC) facilities did not have the mandatory health and safety survey performed within the required 15 months of the survey period.

Corrective Action Plan:

- A. Mississippi State Department of Health will provide to DOM on a monthly basis “Health Care Provider and Suppliers-State Survey Certification” form.
- B. Lashunda Woods
- C. July 1, 2019

AUDIT FINDING:

CFDA Number – 93.778 – Medical Assistance Program (Medicaid: Title XIX) State Survey

Compliance Requirement – Special Test & Provisions

2018-060 Controls Should be Strengthened to Ensure Compliance with ADP Risk Analysis and System Security Review Requirements.

Response: The Mississippi Division of Medicaid (DOM) acknowledges the need to strengthen internal controls to ensure compliance with the ADP risk analysis and system security review requirements. Further, DOM acknowledges that Service Organization Control (SOC) reports are not sufficient to meet the ADP Risk Analysis requirement.

Corrective Action Plan

- A. Because DOM lacks sufficient resources with the appropriate skill sets to establish and maintain a program for conducting periodic risk analyses, we are actively pursuing the procurement of managed security services. DOM will procure managed security services through Information Technology Services' Managed Service Provider, Knowledge Services, dba GuideSoft. The managed security services vendor will assist DOM in strengthening controls necessary to achieve and maintain compliance with ADP risk analysis and system security review requirements.
- B. iTECH Procurement Staff (Terry Norman, Grant Banks) and iTECH Technical and Oversight Staff (Brad Estess, Keith Robinson, Sheila Kearney)
- C. DOM is targeting to award and onboard a managed security services vendor by the end of calendar year 2019.

AUDIT FINDING:

CFDA Number – 93.778 –Medical Assistance Program (Medicaid; Title XIX)

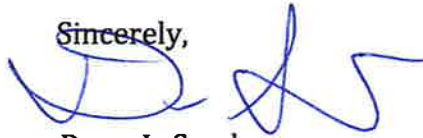
Compliance Requirement: Period of Performance

2018-058 Controls Should be Strengthened Over Period of Performance Requirements.

Response: The Mississippi Division of Medicaid (DOM) does concur with this finding. DOM does not segregate Federal funding by quarter, as required in the grant award letters.

Corrective Action Plan:

- A. DOM will revise its current fund report to properly identify quarterly grant awards to ensure current quarter funds are being used to satisfy quarterly expenditures.
- B. Gia Allen
- C. July 1, 2019

Sincerely,

Drew L. Snyder
Executive Director